(c) The Government of India had signed an MOU with the Government of Japanto develop the project outline of the DMIC Project. The concept paper has since been finalized.

(d) The first phase of the project is envisaged to be implemented during 2008-2012.

Effect of unsustainable tax breaks and physical incentives to industrial projects

1077. SHRI M.V. MYSURA REDDY: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Prime Minister warned the State Governments against unhealthy practice of providing unsustainable tax breaks and physical incentives to industrial projects at Northern Chief Minister's Conclave organized by PHD Chambers of Commerce and Industry on 28th September, 2006, in Chandigarh;

(b) whether it is also a fact that he advised to remove the barriers on Inter-State trade; and

(c) if so, whether there is any proposal before Government to implement the advise of the Prime Minister?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) Yes, Sir. Hon'ble Prime Minister, while addressing the Northern Chief Minister's Conclave organized by the PHD Chambers of Commerce an Industry on 28th September, 2006 at Chandigarh, had referred to unsustainable fisca incentives and tax breaks provided for promoting industrial development and urged the State Governments to enable a common economy and a single market to emerge. Hon'ble Prime Minister had also advised the State Governments to remove barriers on inter-State trade to facilitate movement of people and goods.

(c) Removal of barriers on inter-State trade and tax breaks referred to in the speech are subjects under the purview of State Governments.

Approval to SEZs

1078. SHRI M.V. MYSURA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that approvals for more than 150 SEZs have been granted by Government;

(b) if so, the details thereof alongwith the number of new approvals likely to be accorded, State-wise;

(c) whether there is any proposal before Government to change the guidelines and rules for SEZs in view of the public authority; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Since the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006 came into effect on 10th February, 2006, Government has so far granted 366 formal approvals for setting up Special Economic Zones (SEZs). Besides, in-principle approval has been granted in 176 cases. State-wise details of the formal and in-principJe approvals' granted so far and the proposals awaiting approval are as follows:-

SI. No.	Name of the State/UT	Formal approvals	In principle approvals	Proposals awaiting approval
1.	Andhra Pradesh	61	8	16
2.	Chandigarh	2	-	-
3.	Chhattisgarh	1	2	3
4.	Dadar and Nagar Haveli	2	1	-
5.	Delhi	2	-	4
6.	Goa	7	-	8
7.	Gujarat	29	9	9
8.	Haryana	29	28	27
9.	Himachal Pradesh	-	4	-
10.	Jharkhand	1	-	2
11.	Karnataka	36	17	42
12.	Kerala	11	2	12
13.	Madhya Pradesh	8	7	9
14.	Maharashtra	75	37	45
15.	Nagaland	1	-	1
16.	Orissa	9	6	4
17.	Puducherry	1	.-	. -
18.	Punjab	6	7	3
19.	Rajasthan	5	10	3
20.	Tamil Nadu	53	12	28
21.	Uttaranchal	3	1	~
22.	Uttar Pradesh	12	10	25
23.	West Bengal	12	15	23
	TOTAL :	366	176	264

(c) and (d) The SEZ Rules are reviewed and amended from time to time and two amendments have already been carried out on 10th August 2006 and 16th March 2007 respectively. The Empowered Group of Ministers (EGOM) at its meeting held on 5th April 2007 after considering various issues related to the SEZs had fixed the upper limit of the area required for multi product SEZs at 5000 hectares and fixed the minimum processing area uniformly at 50% for multi product SEZs as well as sector specific SEzs. The SEZ approvals are being now granted by the Board of approval in terms of the said directives. Accordingly, suitable amendments to the SEZ Rules, 2006, are under process. In pursuance of the decisions of the EGOM, the State Governments have been informed on 15 June, 2007 that the Board of Approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007.

Impact of FTAs on Vanaspati Industry

1079. SHRIMATI HEMA MALINI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Free Trade Agreements with Thailand, Nepal and Sri Lanka have hit the Vanaspati Industry;

(b) if so, whether it is also a fact that some Indian producers are routing their products through these countries to avail of duty exemption; and

(c) Government's reaction on (a) and (b) above?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) Vanaspati is not in the Negative List under India-Sri Lanka Free Trade Agreement (FTA) and India-Nepal Free Trade Agreement (FTA). Vanaspati is also not in the Early Harvest Scheme (EHS) of India-Thailand Framework Agreement. Hence, in order to protect the domestic vanaspati industry, the Government has formalized Tariff Rate Quota (TRQ) of 2,50,000 MT per annum of vanaspati including bakery shortening and margarine with Sri Lanka and 1,00,000 MT per annum of vanaspati with Nepal.

Proposal to leverage the freight corridor

1080. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to leverage the freight corridor and the golden Quadrilateral National Highway from Delhi to Mumbai by promoting an industrial corridor comprising large number of units;

(b) if so, whether this industrial corridor be developed with Japanese participation; and

(c) whether this corridor have supporting infrastructural facilities like rail connectivity to port en-route, development of ports on our west coast, etc.?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Yes, Sir. Recently, the Government of India have accorded, in-principle,